

AMENDED IN SENATE MARCH 23, 2017

AMENDED IN SENATE MARCH 21, 2017

AMENDED IN SENATE MARCH 7, 2017

AMENDED IN SENATE FEBRUARY 22, 2017

SENATE BILL

No. 2

Introduced by Senator Atkins

(Coauthors: Senators Beall, Bradford, Dodd, Galgiani, Hertzberg, Hill, Hueso, Jackson, Mendoza, Mitchell, Roth, Skinner, Wieckowski, and Wiener)

(Coauthors: Assembly Members Bonta, Gloria, and Thurmond)

December 5, 2016

An act to add Section 27388.1 to the Government Code, and to amend Section 50408 of, and to add Chapter 2.5 (commencing with Section 50470) to Part 2 of Division 31 of, the Health and Safety Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 2, as amended, Atkins. Building Homes and Jobs Act.

Under existing law, there are programs providing assistance for, among other things, emergency housing, multifamily housing, farmworker housing, home ownership for very low and low-income households, and downpayment assistance for first-time home buyers. Existing law also authorizes the issuance of bonds in specified amounts pursuant to the State General Obligation Bond Law. Existing law requires that proceeds from the sale of these bonds be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks.

This bill would enact the Building Homes and Jobs Act. The bill would make legislative findings and declarations relating to the need for establishing permanent, ongoing sources of funding dedicated to affordable housing development. The bill would impose a fee, except as provided, of \$75 to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, per each single transaction per single parcel of real property, not to exceed \$225. By imposing new duties on counties with respect to the imposition of the recording fee, the bill would create a state-mandated local program. The bill would require that a county recorder quarterly send revenues from this fee, after deduction of any actual and necessary administrative costs incurred by the county recorder, to the Controller for deposit in the Building Homes and Jobs Fund, which the bill would create within the State Treasury. The bill would, upon appropriation by the Legislature, require that 20% of the moneys in the fund be expended for affordable owner-occupied workforce housing and 10% of the moneys for housing purposes related to agricultural workers and their families, and would authorize the remainder of the moneys in the fund to be expended to support affordable housing, home ownership opportunities, and other housing-related programs, as specified. The bill would impose certain auditing and reporting requirements and would establish the Building Homes and Jobs Trust Fund Governing Board that would, among other things, review and approve recommendations made by the Department of Housing and Community Development for the distribution of moneys from the fund.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. This act shall be known as the Building Homes
- 2 and Jobs Act.

1 SEC. 2. (a) The Legislature finds and declares that having a
2 healthy housing market that provides an adequate supply of homes
3 affordable to Californians at all income levels is critical to the
4 economic prosperity and quality of life in the state.

5 (b) The Legislature further finds and declares all of the
6 following:

7 (1) Funding approved by the state's voters in 2002 and 2006,
8 as of June 2015, has financed the construction, rehabilitation, and
9 preservation of over 14,000 shelter spaces and 245,000 affordable
10 homes. These numbers include thousands of supportive homes for
11 people experiencing homelessness. In addition, these funds have
12 helped tens of thousands of families become or remain
13 homeowners. Nearly all of the voter-approved funding for
14 affordable housing has been awarded.

15 (2) The requirement in the Community Redevelopment Law
16 that redevelopment agencies set aside 20 percent of tax increment
17 for affordable housing generated roughly \$1 billion per year. With
18 the elimination of redevelopment agencies, this funding stream
19 has disappeared.

20 (3) In 2014, the Legislature committed 10 percent of ongoing
21 cap-and-trade funds for affordable housing that reduces greenhouse
22 gas emissions and dedicated \$100 million in one-time funding for
23 affordable multifamily and permanent supportive housing. In
24 addition, the people of California thoughtfully approved the
25 repurposing of \$600 million in already committed bond funds for
26 the creation of affordable rental and permanent supportive housing
27 for veterans through the passage of Proposition 41.

28 (4) In 2015, the Legislature approved \$2 billion in revenue
29 bonds for the construction and rehabilitation of permanent
30 supportive housing for homeless individuals with mental illness
31 through the "No Place Like Home" initiative and increased funding
32 for the CalWORKs Housing Support Program to \$47 million per
33 year. Another \$45 million was directed to Emergency Solutions
34 Grants to fund rapid rehousing, outreach, shelters, and homeless
35 prevention and \$10 million was provided to reduce homelessness
36 among families who are part of the child welfare system.

37 (5) Despite these investments, the need for affordable housing
38 in the State of California greatly exceeds the available resources,
39 demonstrated by the Public Policy Institute of California finding
40 that, as of January 2016, 31.5 percent of mortgaged homeowners

1 and 47 percent of all renters are spending more than 35 percent of
2 their household incomes on housing.

3 (6) California has 12 percent of the United States population,
4 but 20 percent of its homeless population. California has the highest
5 percentage of unsheltered homeless in the nation, with 64 percent
6 of homeless Californians not having shelter. California has 24
7 percent of the nation's homeless veterans population and one-third
8 of the nation's chronically homeless population. California also
9 has the largest population of unaccompanied homeless children
10 and youth, with 28 percent of the national total.

11 (7) Furthermore, four of the top 10 metropolitan areas in the
12 country with the highest rate of homelessness are in the following
13 metropolitan areas in California: San Jose-Sunnyvale-Santa Clara,
14 Los Angeles-Long Beach-Santa Ana, Fresno, and Stockton.

15 (8) California continues to have the second lowest
16 homeownership rate in the nation, and the Los Angeles
17 metropolitan area is now a majority renter area. In fact, five of the
18 eight lowest homeownership rates are in metropolitan areas in
19 California.

20 (9) Los Angeles and Orange Counties have been identified as
21 the epicenter of overcrowded housing, and numerous studies have
22 shown that children in crowded homes have poorer health, worse
23 scores on mathematics and reading tests, and higher rates of
24 depression and behavioral problems—even when poverty is taken
25 into account.

26 (10) Millions of Californians are affected by the state's chronic
27 housing shortage, including seniors, veterans, people experiencing
28 chronic homelessness, working families, people with mental,
29 physical, or developmental disabilities, agricultural workers, people
30 exiting jails, prisons, and other state institutions, survivors of
31 domestic violence, and former foster and transition-aged youth.

32 (11) Eight of the top 10 hardest hit cities by the foreclosure
33 crisis in the nation were in California. They include the Cities of
34 Stockton, Modesto, Vallejo, Riverside, San Bernardino, Merced,
35 Bakersfield, and Sacramento.

36 (12) California's workforce continues to experience longer
37 commute times as persons in the workforce seek affordable housing
38 outside the areas in which they work. If California is unable to
39 support the construction of affordable housing in these areas,

1 congestion problems will strain the state's transportation system
2 and exacerbate greenhouse gas emissions.

3 (13) Many economists agree that the state's higher than average
4 unemployment rate is due in large part to massive shrinkage in the
5 construction industry from 2005 to 2009, including losses of nearly
6 700,000 construction-related jobs, a 60-percent decline in
7 construction spending, and an 83-percent reduction in residential
8 permits. Restoration of a healthy construction sector will
9 significantly reduce the state's unemployment rate.

10 (14) The lack of sufficient housing impedes economic growth
11 and development by making it difficult for California employers
12 to attract and retain employees.

13 (15) To keep pace with continuing demand, the state should
14 identify and establish a permanent, ongoing source or sources of
15 funding dedicated to affordable housing development. Without a
16 reliable source of funding for housing affordable to the state's
17 workforce and most vulnerable residents, the state and its local
18 and private housing development partners will not be able to
19 continue increasing the supply of housing after existing housing
20 bond resources are depleted.

21 (16) The investment will leverage billions of dollars in private
22 investment, lessen demands on law enforcement and dwindling
23 health care resources as fewer people are forced to live on the
24 streets or in dangerous substandard buildings, and increase
25 businesses' ability to attract and retain skilled workers.

26 (17) In order to promote housing and homeownership
27 opportunities, the recording fee imposed by this act shall not be
28 applied to any recording made in connection with a sale of real
29 property. Purchasing a home is likely the largest purchase made
30 by Californians, and it is the intent of this act to not increase
31 transaction costs associated with these transfers.

32 SEC. 3. Section 27388.1 is added to the Government Code, to
33 read:

34 27388.1. (a) (1) Commencing January 1, 2018, and except as
35 provided in paragraph (2), in addition to any other recording fees
36 specified in this code, a fee of seventy-five dollars (\$75) shall be
37 paid at the time of recording of every real estate instrument, paper,
38 or notice required or permitted by law to be recorded, except those
39 expressly exempted from payment of recording fees, per each
40 single transaction per parcel of real property. The fee imposed by

1 this section shall not exceed two hundred twenty-five dollars
2 (\$225). “Real estate instrument, paper, or notice” means a
3 document relating to real property, including, but not limited to,
4 the following: deed, grant deed, trustee’s deed, deed of trust,
5 reconveyance, quit claim deed, fictitious deed of trust, assignment
6 of deed of trust, request for notice of default, abstract of judgment,
7 subordination agreement, declaration of homestead, abandonment
8 of homestead, notice of default, release or discharge, easement,
9 notice of trustee sale, notice of completion, UCC financing
10 statement, mechanic’s lien, maps, and covenants, conditions, and
11 restrictions.

12 (2) The fee described in paragraph (1) shall not be imposed on
13 any real estate instrument, paper, or notice recorded in connection
14 with a transfer subject to the imposition of a documentary transfer
15 tax as defined in Section 11911 of the Revenue and Taxation Code
16 or on any real estate instrument, paper, or notice recorded in
17 connection with a transfer of real property that is a residential
18 dwelling to an owner-occupier.

19 (b) The county recorder shall remit quarterly, on or before the
20 last day of the month next succeeding each calendar quarterly
21 period, the fees, after deduction of any actual and necessary
22 administrative costs incurred by the county recorder in carrying
23 out this section, to the Controller for deposit in the Building Homes
24 and Jobs Trust Fund established by Section 50470 of the Health
25 and Safety Code, to be expended for the purposes set forth in that
26 section. In addition, the county shall pay to the Controller interest,
27 at the legal rate, on any funds not paid to the Controller before the
28 last day of the month next succeeding each quarterly period.

29 (c) If the Department of Housing and Community Development
30 determines that any moneys derived from fees collected are being
31 allocated by the state for a purpose not authorized by Section 50470
32 of the Health and Safety Code, the county recorder shall, upon
33 notice of the determination, immediately cease collection of the
34 fees, and shall resume collection of those fees only upon notice
35 that the moneys derived from the fees collected are being allocated
36 by the state only for a purpose authorized by Section 50470 of the
37 Health and Safety Code.

38 SEC. 4. Section 50408 of the Health and Safety Code is
39 amended to read:

1 50408. (a) On or before December 31 of each year, the
2 department shall submit an annual report to the Governor and both
3 houses of the Legislature on the operations and accomplishments
4 during the previous fiscal year of the housing programs
5 administered by the department, including, but not limited to, the
6 Emergency Housing and Assistance Program and Community
7 Development Block Grant activity.

8 (b) The report shall include all of the following information:

9 (1) The number of units assisted by those programs.

10 (2) The number of individuals and households served and their
11 income levels.

12 (3) The distribution of units among various areas of the state.

13 (4) The amount of other public and private funds leveraged by
14 the assistance provided by those programs.

15 (5) Information detailing the assistance provided to various
16 groups of persons by programs that are targeted to assist those
17 groups.

18 (6) The information required to be reported pursuant to Section
19 17031.8.

20 (7) (A) An evaluation, in collaboration with the Department of
21 Veterans Affairs, of any program established by the department
22 pursuant to Article 3.2 (commencing with Section 987.001) of
23 Chapter 6 of Division 4 of the Military and Veterans Code,
24 including information relating to the effectiveness of assisted
25 projects in helping veterans occupying any supportive housing or
26 transitional housing development that was issued funds pursuant
27 to that article.

28 (B) The evaluation shall include, but is not limited to, the
29 following information:

30 (i) Performance outcome data including, but not limited to,
31 housing stability, housing exit information, and tenant satisfaction,
32 which may be measured by a survey, and changes in income,
33 benefits, and education.

34 (I) For purposes of this paragraph, the term “housing stability”
35 includes, but is not limited to, how many tenants exit transitional
36 housing to permanent housing or maintain permanent housing,
37 and the length of time those tenants spent in assisted units.

38 (II) For purposes of this paragraph, the term “housing exit
39 information” includes, but is not limited to, the following:

40 (ia) How many tenants left assisted units.

1 (ib) The length of tenancy in assisted units.

2 (ic) The reason those tenants left assisted units, when that
3 information is readily obtainable.

4 (id) The housing status of a tenant exiting an assisted unit upon
5 exit when that information is readily available.

6 (ii) Client data, which may include, but is not limited to,
7 demographic characteristics of the veteran and his or her family,
8 educational and employment status of the veteran, and
9 veteran-specific information including, but not limited to, disability
10 ratings, type of discharge, branch, era of service, and veterans
11 affairs health care eligibility.

12 (8) An evaluation of any program established by the department
13 to meet the legal requirements of the Federal Housing Trust Fund
14 program guidelines.

15 (9) (A) The manner in which the funds were made available
16 pursuant to Chapter 2.5 (commencing with Section 50470) and
17 allocated in the prior year were expended, including efforts to
18 promote a geographically balanced distribution of funds. The report
19 shall also assess the impact of the investment on job creation and
20 the economy. With respect to any awards made specifically to
21 house or support persons who are homeless or at risk of
22 homelessness, the report shall include an analysis of the
23 effectiveness of the funding in allowing these households to retain
24 permanent housing. The department shall make the report available
25 to the public on its Internet Web site.

26 (B) In the report required by this paragraph, the department
27 shall make a determination of whether any of the moneys derived
28 from fees collected pursuant to Section 27388.1 of the Government
29 Code are being allocated by the state for any purpose not authorized
30 by Section 50470 and shall share the information with county
31 recorders.

32 (C) The report required by this paragraph shall be submitted to
33 the Senate Committee on Transportation and Housing and to the
34 Assembly Committee on Housing and Community Development.

35 SEC. 5. Chapter 2.5 (commencing with Section 50470) is added
36 to Part 2 of Division 31 of the Health and Safety Code, to read:

CHAPTER 2.5. BUILDING HOMES AND JOBS ACT

Article 1. General Provisions

50470. (a) (1) There is hereby created in the State Treasury the Building Homes and Jobs Trust Fund. All interest or other increments resulting from the investment of moneys in the fund shall be deposited in the fund, notwithstanding Section 16305.7 of the Government Code.

(2) Moneys in the Building Homes and Jobs Trust Fund shall not be subject to transfer to any other fund pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, except to the Surplus Money Investment Fund. Moneys in the Building Homes and Jobs Trust Fund shall be appropriated through the annual Budget Act. Upon appropriation by the Legislature:

(A) Twenty percent of moneys in the fund shall be expended for affordable owner-occupied workforce housing.

(B) Ten percent of the moneys in the fund shall be expended to address affordable homeownership and rental housing opportunities for agricultural workers and their families.

(C) The remainder of the moneys in the fund may be expended for the following purposes:

(i) The development, acquisition, rehabilitation, and preservation of rental housing that is affordable to extremely low, very low, low-, and moderate-income households, including necessary operating subsidies.

(ii) Affordable rental and ownership housing that meets the needs of a growing workforce earning up to 120 percent of area median income.

(iii) Matching portions of funds placed into local or regional housing trust funds.

(iv) Matching portions of funds available through the Low and Moderate Income Housing Asset Fund pursuant to subdivision (d) of Section 34176 of the Health and Safety Code.

(v) Capitalized reserves for services connected to the creation of new permanent supportive housing, including, but not limited to, developments funded through the Veterans Housing and Homelessness Prevention Bond Act of 2014.

1 (vi) Emergency shelters, transitional housing, and rapid
2 rehousing.

3 (vii) Accessibility modifications.

4 (viii) Efforts to acquire and rehabilitate foreclosed or vacant
5 homes.

6 (ix) Homeownership opportunities, including, but not limited
7 to, downpayment assistance.

8 (x) Grants to local and regional agencies to assist in the
9 development and updating of planning documents and zoning
10 ordinances in order to accelerate housing production, including,
11 but not limited to, general plans, community plans, specific plans,
12 sustainable communities strategies, and local coastal programs.

13 (xi) Fiscal incentives or matching funds to local agencies that
14 approve new housing for extremely low, very low, low-, and
15 moderate-income households.

16 (3) A state or local entity that receives an appropriation or
17 allocation pursuant to this chapter shall use no more than 5 percent
18 of that appropriation or allocation for costs related to the
19 administration of the housing program for which the appropriation
20 or allocation was made.

21 (b) Both of the following shall be paid and deposited in the
22 fund:

23 (1) Any moneys appropriated and made available by the
24 Legislature for purposes of the fund.

25 (2) Any other moneys that may be made available to the
26 department for the purposes of the fund from any other source or
27 sources.

28 (c) If a local government does not expend the moneys allocated
29 to it, pursuant to this chapter, within five years of that allocation,
30 those moneys shall revert to, and be paid and deposited in, the
31 fund.

32 50470.5. For purposes of this chapter:

33 (a) “Department” means the Department of Housing and
34 Community Development.

35 (b) “Governing board” means the Building Homes and Jobs
36 Trust Fund Governing Board.

37 50470.7. ~~(a)~~—The Building Homes and Jobs Trust Fund
38 Governing Board is hereby established. The governing board shall
39 include:

40 ~~(1)~~

1 (a) The Treasurer, or his or her designee.

2 ~~(2)~~

3 (b) The Director of Housing and Community Development, or
4 his or her designee.

5 ~~(3)~~

6 (c) The Executive Director of the California Housing Finance
7 Agency, or his or her designee.

8 ~~(4)~~

9 (d) Six members appointed by the Governor, as follows:

10 ~~(A)~~

11 (1) Two real estate licensees, each with not less than 10 years
12 of experience, and membership in a real estate trade organization
13 with no less than 20,000 licensees as members.

14 ~~(B)~~

15 (2) ~~Two member~~ *members* who are local government officials.

16 ~~(C)~~

17 (3) Two members who represent the home building industry.

18 ~~(D)~~

19 (4) For any members appointed pursuant to this ~~paragraph~~,
20 *subdivision*, the Governor shall appoint one member who resides
21 in northern California, and one member who resides in southern
22 California.

23 ~~(5)~~

24 (e) Three public members appointed by the Senate Committee
25 on Rules, as follows:

26 ~~(A)~~

27 (1) One member who represents the nonprofit affordable housing
28 development sector.

29 ~~(B)~~

30 (2) One member who represents the for-profit affordable housing
31 development sector.

32 ~~(C)~~

33 (3) One member who represents or has experience in private
34 sector lending, for-profit affordable housing development, nonprofit
35 affordable housing development, working with special needs
36 populations, including persons experiencing homelessness,
37 architecture, housing development consultation, or academia related
38 to housing issues.

39 ~~(6)~~

(f) Three public members appointed by the Speaker of the Assembly:

(A)

(1) One member who represents the nonprofit affordable housing development sector.

(B)

(2) One member who represents the for-profit affordable housing development sector.

(C)

(3) One member who represents or has experience in private sector lending, for-profit affordable housing development, nonprofit affordable housing development, working with special needs populations, including persons experiencing homelessness, architecture, housing development consultation, or academia related to housing issues.

(D)

(4) Members appointed pursuant to this paragraph subdivision or paragraph (5) subdivision (e) shall contribute to a balance among geographic areas and between rural and urban interests.

~~(b) (1) The governing board also shall include six public members. Two of the public members must be representative of nonprofit affordable housing development, one appointed by the Speaker of the Assembly and one appointed by the Senate Committee on Rules. Two of the public members must be representative of for-profit affordable housing development, one appointed by the Speaker of the Assembly and one appointed by the Senate Committee on Rules. The Speaker of the Assembly and the Senate Committee on Rules shall each appoint one additional public member who shall be representative of, or have experience in, one or more of the following areas:~~

~~(A) Private sector lending.~~

~~(B) For-profit affordable housing development.~~

~~(C) Nonprofit affordable housing development.~~

~~(D) Working with special needs populations, including persons experiencing homelessness.~~

~~(E) Architecture.~~

~~(F) Housing development consultation.~~

~~(G) Academia related to housing issues.~~

~~(2) Overall public membership shall contribute to a balance among geographic areas and between rural and urban interests.~~

1 50471. (a) In order to maximize efficiency and address
2 comprehensive needs, the department, in consultation with the
3 California Housing Finance Agency, the California Tax Credit
4 Allocation Committee, and the California Debt Limit Allocation
5 Committee, shall develop and submit to the Legislature, at the time
6 of the Department of Finance's adjustments to the proposed
7 2018–19 fiscal year budget pursuant to subdivision (e) of Section
8 13308 of the Government Code, the Building Homes and Jobs
9 Investment Strategy. Notwithstanding Section 10231.5 of the
10 Government Code, commencing with the 2023–24 fiscal year, and
11 every five years thereafter, concurrent with the release of the
12 Governor's proposed budget, the department shall update the
13 investment strategy and submit it to the Legislature. The governing
14 board shall review and advise the department regarding the
15 investment strategy prior to its submission to the Legislature. The
16 investment strategy shall do all of the following:

17 (1) Identify the statewide needs, goals, objectives, and outcomes
18 for housing for a five-year time period. Goals should include targets
19 of the total number for affordable homes created and preserved
20 with the funds.

21 (2) Meet the following minimum objectives:

22 (A) Encourage economic development and job creation by
23 helping to meet the housing needs of a growing workforce earning
24 up to 120 percent of area median income.

25 (B) Identify opportunities for coordination among state
26 departments and agencies to achieve greater efficiencies, increase
27 the amount of federal investment in production, services, and
28 operating costs of housing, and promote energy efficiency in
29 housing produced.

30 (C) Incentivize the use and coordination of nontraditional
31 funding sources including philanthropic funds, local realignment
32 funds, nonhousing tax increment, the federal Patient Protection
33 and Affordable Care Act, and other resources.

34 (D) Incentivize innovative approaches that produce cost savings
35 to local and state services by reducing the instability of housing
36 for frequent, high-cost users of hospitals, jails, detoxification
37 facilities, psychiatric hospitals, and emergency shelters.

38 (3) Provide for a geographically balanced distribution of funds,
39 including a 50 percent direct allocation of funds to local
40 governments.

1 (4) In order to receive an allocation a local government shall:

2 (A) Submit a plan to the department detailing the manner in
3 which allocated funds will be used by the local government in a
4 manner consistent with paragraph (2) of subdivision (a) of Section
5 50470.

6 (B) Have a compliant housing element with the state, submit
7 annual reports pursuant to Section 65400 of the Government Code,
8 and submit an annual report to the department that provides
9 ongoing tracking of the uses and expenditures of any allocated
10 funds.

11 (C) Emphasize investments that serve households that are at or
12 below 60 percent of area median income.

13 (b) Before submitting the Building Homes and Jobs Investment
14 Strategy to the Legislature, the department shall hold at least four
15 public workshops in different regions of the state to further inform
16 the development of the investment strategy.

17 (c) Expenditure requests contained in the Governor's proposed
18 budget shall be consistent with the Building Homes and Jobs
19 Investment Strategy developed and submitted pursuant to this part.

20 (d) The Building Homes and Jobs Investment Strategy and
21 updates required by this section shall be submitted pursuant to
22 Section 9795 of the Government Code.

23 (e) The governing board shall have the authority to review and
24 approve department recommendations for all funds distributed
25 from the Building Homes and Jobs Trust Fund.

26 Article 2. Audits and Reporting

27
28
29 50475. The California State Auditor's Office shall conduct
30 periodic audits to ensure that the annual allocation to individual
31 programs is awarded by the department in a timely fashion
32 consistent with the requirements of this chapter. The first audit
33 shall be conducted no later than 24 months from the effective date
34 of this section.

35 SEC. 6. No reimbursement is required by this act pursuant to
36 Section 6 of Article XIII B of the California Constitution because
37 a local agency or school district has the authority to levy service
38 charges, fees, or assessments sufficient to pay for the program or
39 level of service mandated by this act, within the meaning of Section
40 17556 of the Government Code.

1 SEC. 7. This act is an urgency statute necessary for the
2 immediate preservation of the public peace, health, or safety within
3 the meaning of Article IV of the California Constitution and shall
4 go into immediate effect. The facts constituting the necessity are:
5 In order to provide affordable housing opportunities at the earliest
6 possible time, it is necessary for this act to take effect immediately.

O